



ACCREDITING COUNCIL FOR CONTINUING EDUCATION & TRAINING  
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December 20, 2019

VIA EMAIL  
([briana.raissi@geos.net](mailto:briana.raissi@geos.net))

Ms. Briana Raissi  
Compliance Officer  
GEOS Languages Plus  
17 Battery Place, Ste 638  
New York, NY 10004

***Re: Interim Report Reviewed;  
Interim Report Required;  
Institutional Show Cause Continued;  
Teach-out Plan Required;  
Phone Call with FRC Staff Required***

***ACCET ID #990***

Dear Ms. Raissi,

At its December 2019 meeting, the Accrediting Commission of the Accrediting Council for Continuing Education & Training (ACCET) reviewed the institution's interim report submitted in response to the August 20, 2019 Commission Action letter, as a result of a series of interim reports dating to the institution's grant of reaccreditation in August 2018. The Commission's August 2019 action continued the institution's show cause directive and directed the institution to submit an interim report to include the following two items: 1) A financial recovery plan supported by detailed documentation and evidence that demonstrated that the institution remains in compliance with ACCET Standard III-A: Financial Stability; 2) Updated internally-generated financials for Year-to-Date 2019 (January 1-September 30, 2019) that were line-by-line comparative with the same time period from the previous year for both the New York and Los Angeles (Torrance) campuses.

Upon its review of the institution's interim report, received October 31, 2019, the Commission determined that items listed above were only partially addressed. Moreover, substantial issues remained regarding the financial circumstances of the institution.

Therefore, the Commission voted to continue the Institutional Show Cause directive, a directive first issued by the Commission at its April 2019 meeting. The institution is reminded that a show cause directive requires the institution to provide a compelling rationale as to why its accredited status should not be withdrawn. Further, the institution is reminded that per ACCET Document 11 – Policies and Practices of the Accrediting Commission, the duration of the show cause directive may not exceed 12 months, unless the Commission extends the time frame for good cause, defined as

significant improvement by the institution in the deficient area(s) and/or the need for sufficient time to demonstrate full compliance (e.g. measurable improvement in program completion and/or placement rates and/or the financial stability indicators of the institution).

Further, the Commission directed the institution to submit an interim report to include the following:

1. The institution, in its response, provided an updated financial recovery plan for the New York and Los Angeles (Torrance) campuses which was improved over previous iterations, but contained details that made it more akin to a business plan than a financial recovery plan. For example, initiatives to have more experienced teachers lead professional development sessions and to continue to build better coordination between curricular levels were listed; however, the plan did not list initiatives to reduce costs nor did it detail the projected and/or actual financial impact of the initiatives. The institution acknowledged the Commission's expectation for evidence that measurable objectives were being met. However, the institution stated that it had just recently instated the submitted plan for the new fiscal year, and that as such, each strategy was ongoing, and no documentation of progress was able to be provided. Thus, the documentation submitted did not include a status report narrative for each strategy which detailed actual financial values and other necessary quantitative data.

Further, the institution, in its interim report response, submitted internally-generated financial statements for each campus for January 1-September 30, 2019 that were listed as year-to-date comparable with 2018. The profit and loss statement through September 2019 suggested consistent results to 2018 (net profitability) for the New York location, and it was evident that the organization was taking steps to reduce costs in 2019. However, the balance sheet for the New York location still revealed significant stability concerns (including \$944,000 payable to related companies, no cash, and negative equity). Additionally, it was noted more detail was needed regarding the terms of the growing negative receivables-from-related-companies balance and what the institution plans to do to manage these receivables.

In addition, the Los Angeles profit and loss statement suggested worsening operations as a result primarily of decreases to direct income. The Los Angeles balance sheet also revealed stability concerns—though not as grave as New York—as evidenced by no cash, an accounts receivable balance that was roughly one-third of accounts payable, and negative equity.

**Therefore, the institution is directed to provide:**

- a. **An updated and expanded financial recovery plan supported by detailed documentation and evidence that shows the institution remains in compliance with ACCET Standard III-A: Financial Stability. The plan must: (1) be driven by overarching objectives that have a direct impact on the financial stability of the institution, (2) provide measurable strategies (action steps) to achieve the stated objectives, (3) list expected completion dates, (4) name responsible staff (positions), and (5) provide a narrative status report for each action step for each strategy that is a part of each overarching objective. The**

**status report narrative for each strategy must include actual financial impact values and other necessary quantitative supporting data.**

- b. Updated internally-generated financials for first quarter 2020 (October 1-December 31, 2019) that are line-by-line comparative with the same time period from the previous year for both the New York and Los Angeles (Torrance) campuses. The financial statements must include a (1) balance sheet, (2) profit and loss statement, (3) cash-flow statement, and (4) a signed statement from the CEO or CFO attesting to the truth and accuracy of those statements.**

**Further, the institution must provide a narrative explanation of the terms of the expanding negative receivables-from-related-companies balance and what the institution plans to do to manage these receivables for its New York location.**

**The institution is reminded that financial stability will be additionally reviewed during the course of annual financial reporting, which must be submitted in accordance with ACCET Document 27 – Policy on Financial Reporting and Financial Stability no later than six months after the institution’s fiscal year end.**

- c. In addition, the institution must submit a written teach-out plan that is in accordance with ACCET Document 32 – Closing/Teach-Out Policy, in case of required closure by the institution.**
- d. Finally, due to the continued concerns regarding the financial stability of the institution, including both its financial statements and the need for additional information regarding the financial recovery plan, the institution is required to seek additional clarification via a required phone call with ACCET staff. Please contact ACCET Financial Review Committee Co-Chairs, [rhelfer@accet.org](mailto:rhelfer@accet.org) or [mrasinen@accet.org](mailto:mrasinen@accet.org), to arrange this conversation.**

**A copy of this report, including the attached interim report cover sheet, must be emailed to [interimreports@accet.org](mailto:interimreports@accet.org) for receipt at the ACCET office no later than February 28, 2020.**

As a reminder, please be advised that late submission and receipt of documents and reports are subject to significant late fees in accordance with Commission policy. These fees are outlined in ACCET Document 10, which can be found at [www.accet.org](http://www.accet.org).

Further, while under a Show Cause directive, the institution is restricted from making any substantive changes including, but not limited to, new programs, major program revisions, new branch campuses or other new sites, or relocations out of the general market area.

Your demonstrated capabilities and commitment in support of the institution’s accredited status are essential to a favorable outcome in this process. Should you have any questions or need further assistance regarding this letter, please contact the ACCET office at your earliest opportunity.

Sincerely,



Judy Hendrickson  
Interim Executive Director

JHH/mr

Enclosures: Interim Report Cover Sheet

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